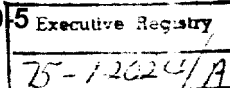


CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505



29 OCT 1975

The Honorable John L. McClellan
Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

This is in response to your request that I comment on a letter to you from Secretary Schlesinger, dated 23 October. I shall confine my comments to the matters in the Secretary's letter concerned with Soviet military programs.

My assessments of Soviet military expenditures and forces are the same as expressed in Secretary Schlesinger's letter. His statements are consistent with National Intelligence Estimates and the independent judgments of the CIA. They are also consistent with my testimony to various committees of the Congress during the past year or more.

The Secretary's statements together with my comments are as follows:

1. Defense Budgets:

-- "We estimate that over the same period [1964 through 1975], Soviet military spending has increased by about 40 percent in real terms. The annual rate of increase in this spending has run at between 3 and 4 percent."

Comment:

This is consistent with CIA estimates in constant 1974 dollars which show an increase of about 35 percent over the period. Furthermore, my testimony of June 18, 1975 before Senator Proxmire's Subcommittee on Priorities and Economy in Government of the Joint Economic Committee included the following statements: "Our current estimate of the costs of Soviet defense programs over the past decade shows a steady upward trend, with annual growth rates averaging about



3 percent per year [in constant dollars]. The upward path has been marked by cycles, however, with annual rates of growth ranging from 1 to 5 percent."

- "By FY 1975, our best estimate is that Soviet military outlays had come to exceed those of the United States by about 30 percent--with retired pay included. If retired pay were excluded from both budgets, Soviet military expenditures might be as much as 50 percent greater than our own."

Comment:

Our present estimate of the comparison for 1975 in 1974 dollars is about 35 percent with retired pay included and about 45 percent without retired pay.

2. Strategic Nuclear Forces:

- "Soviet outlays for its strategic forces--calculated on a comparable [to the U.S.] basis--have nearly doubled over the [past] decade, and have exceeded U.S. program expenditures every year since 1966. We estimate that they were at least 60 percent higher than our own by 1975."

Comment:

These statements reflect CIA estimates.

- "... the total number of Soviet strategic launchers has increased dramatically and now exceeds our own. With the large amount of throw-weight at their disposal, the Soviets are already beginning a rapid expansion of their warhead inventory, and we anticipate substantial improvements in the accuracy of their ICBM's as well. Not only are the Soviets deploying MIRV's; their warheads will have much higher yields than ours."

Comment:

These statements are consistent with National Intelligence Estimates on the subject and with the testimony I have presented to various committees of Congress over the past year or more.

3. General Purpose Forces:

- "During the past decade ... Soviet military manpower has increased by more than 20 percent. The Soviet military establishment is now more than twice as large as our own. Much of this increase has gone into the buildup on the Chinese border, where the Soviets now maintain about 40 divisions. But the Soviet forces facing Western Europe have also increased by more than 100,000 men,"

Comment:

I have no argument with any of these statements.

- "The Soviets have been steadily improving both the quality and the quantity of the weapons in their general purpose forces. In fact, since 1964 they have increased the resources devoted to these forces by more than 33 percent."

Comment:

I concur with these statements.

- "..., the Soviets now equal us in the number of surface combatants, are ahead of us in attack submarines, and substantially exceed us in deployed cruise-missile capability. The character of the Soviet naval ships is also changing. They are developing greater endurance at sea through larger combatants and logistics support

ships. At present, they are building new submarines at a rate which is three-to-four times faster than our own. They already have two helicopter cruisers and a VSTOL aircraft carrier."

Comment:

I have no argument with any of these statements except to point out that on the average Soviet surface combatants are generally smaller than those of the U.S.

In sum, the Secretary has drawn on data published in National Intelligence Estimates or in CIA publications. Therefore, there is no divergence between his understanding of the facts and mine.

You attributed your request to the appearance of a statement by Senator Proxmire, and newspaper accounts of it, reporting an apparent difference between Secretary Schlesinger's and my appreciation of Soviet defense expenditures and forces. As can be seen from the above, such a difference does not exist, and both Secretary Schlesinger and I are relying upon the same body of intelligence data. This can perhaps be more fully identified in the enclosed copy of my entire testimony to the Joint Economic Committee, and especially the charts on pages 28 and 29.

Sincerely,

Signed

W. E. Colby
Director

Enclosure

Letter to The Honorable John McClellan

Re: Comments on Secretary Schlesinger's Letter

25X1A

CONCUR:

[Redacted]
Deputy Director for Intelligence

28 Oct 1975

Date

25X1A

[Redacted] fbr'

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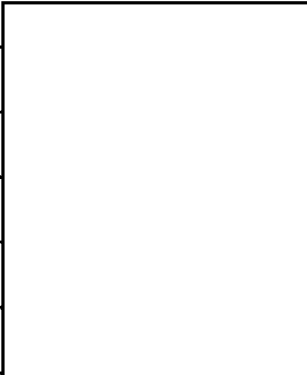

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| <p>Hans:</p> <p>Attached is a copy of the letter to McClellan actually dispatched. I have a call in to Jim Schlesinger about this but this strikes me as all he could reasonably ask for.</p> | | | |
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